



BUSINESS LICENSE COMMISSION
COUNTY OF LOS ANGELES
374 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CA 90012
(213) 974-7691



December 3, 2012

Walter Lewis
Marine Corps Veterans Association
3405 Atlas Street
San Diego, CA 92111

MEMBERS
STEVEN AFRIAT
PRESIDENT
RENÉE CAMPBELL
VICE-PRESIDENT
SARA VASQUEZ
SECRETARY
JAMES BARGER
COMMISSIONER
SHAN LEE
COMMISSIONER

**APPLICATION FOR NOTICE OF INTENTION TO SOLICIT
AND INFORMATION CARD**

Dear Applicant:

The Business License Commission will hold a hearing on the above matter on **Wednesday, December 12, 2012 at 9:00 a.m.** in Room 374-A, 500 West Temple Street, Los Angeles, CA 90012. Your presence is requested at this hearing. If you are unable to attend you may authorize a representative to appear on your behalf. The representative must present signed and duly notarized letter giving authorization and the reasons you are unable to appear.

RIGHT TO REPRESENTATION / FOREIGN LANGUAGE SPEAKERS

You have the right to be represented at this hearing by an attorney or other individual of your choosing and at your own cost. In the absence of a representative, you must represent yourself and the hearing will proceed as scheduled.

If you require a translator, you must arrange at your own cost to have present at the hearing either **a professional/certified interpreter or other person who is fluent in both English and your native language.** If you are unable to locate an interpreter, please contact our office and you will be provided a list of interpreting services.

Parking is available at your cost; a map is enclosed for your convenience. **Please note proceedings begin promptly at 9:00 a.m. The Business License Commission reserves the right to reschedule your hearing to a later date for failure to timely appear.**

Sincerely,

STEVEN AFRIAT
President

Lupe Duron
Commission Staff

NOTICE OF INTENTION TO SOLICIT
To Appeal or Solicit for
Charitable Purposes in the
UNINCORPORATED Portions of the
COUNTY OF LOS ANGELES
BUSINESS LICENSE COMMISSION
374 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles CA 90012
Telephone: 213/974-7691

ALL QUESTIONS MUST BE ANSWERED, PLEASE TYPE OR PRINT.

(Los Angeles County Code, Volume 3, Title 7, Chapter 7-24 requires that this Notice of Intention to be filed at least 30 days prior to beginning your solicitation or advertisement for your fund-raising activity. No advertisement or solicitation may begin until this office has issued an Information Card. "No" or "None" may be written where appropriate on this form. Additional Information may be added on separate sheets; however *do not* add separate sheets in lieu of answering the questions on this form.)

1. MARINE CORPS VETERANS ASSOCIATION When organized: 4/25/07
(Full Name of Organization) Incorporated: YES
Yes No
2. 2245 PARK TOWNE CIRCLE, SACRAMENTO, CA 95825 916 220 4280
(Address: Street, City and Zip Code) (Telephone - Daytime)
3. GEORGE R. MARSH SAME AS ABOVE 916 220 4280
(Name of Person in Charge of Appeal -- Address and Zip Code) GEORGE R. MARSH @ COMCAST
(Telephone - Daytime and E-mail Address) .NET
4. TO CONDUCT OR SOLICIT: GENERAL APPEAL
(If only to solicit funds, it would be a General Appeal, if a specific event, state type of event)
5. WHERE and WHEN this fund-raising activity will be held: GENERAL APPEAL FROM
1/2/2013 THROUGH 12/31/2013 (If specific event, exact dates)
6. Solicitation/Advertisement starts WHEN ISSUED; ends 12/31/2013
(Specific date, or when issued) (Last day of specified event)
7. SPECIFIC Purpose of this Solicitation: SEE ATTACHMENT
8. ANTICIPATED Gross Goal (Before deducting expenses): \$ 5,000 \$ 690,000 \$ 815,000
(LOCAL) (STATE) (NATIONAL)
9. If this solicitation or activity is conducted on behalf of another organization, give its name and address and enclose a copy of a letter of authorization from organization(s).
10. Solicitation/Advertisement to be made by means of (indicate by checking below):
() Volunteer Solicitors () Box Office Sales () Posters () Bulletins
(☒) Paid Solicitors () Telephone () Newspapers
(☒) Personal Approach () Radio/Television () Mail
Other _____ methods _____ (specify): _____

11. Admission: \$ DOES NOT APPLY Tickets _____ Invitations _____ No. Printed _____
Numbered _____

SPECIFY PER PERSON
PER COUPLE

Selling prices: (Ads. cookies. etc.)

Cost of Carnival Tickets:

12. Itemized list of **ANTICIPATED** expenses to be incurred in conducting this solicitation only:

Salaries	_____	Printing Advertisement	_____
Solicitors	\$ 1,200	Stationery/Postage	_____
Managers	_____	Prizes	_____
Promoters	_____	Cost of Merchandise	\$ 120
Other	_____	Refreshments/Meals	_____
Rents	_____	Miscellaneous:	_____
Music	_____	(Specify)	_____
Telephone	_____	ANTICIPATED TOTAL \$	1320

13. a. 26.4% Percent (anticipated) of gross contributions for expenses (divide gross goal --Item No. 8-- into expenses --Item No. 12.--)
- b. 73.6% Percent (anticipated) of gross contributions to be used as specified in application (subtract percent for expenses --- 13. a. --- from 100%)
- c. 30.0% Percent of the proceeds to be used outside of Los Angeles County and specify where it will be use (If applicable)

SEE ATTACHMENT

NOTE: PLEASE BREAK ALL PERCENTAGES DOWN TO THE NEAREST TENTH.

14. I the signer of this Notice of Intention, attach hereto copies of the following as required:
- Articles of Incorporation and/or Bylaws of this organization (BOTH if group is incorporated)
 - Names, Titles and Terms of Offices for two Officers of this organization
 - Current Financial Statement (treasurer's report, audit, etc.)
 - A statement of any and all agreements or understandings made or had with any agent, solicitor, promoter or manager of this solicitation, or a copy of such agreement or understanding, if it is in writing.
 - Tax exemption certificate. State & Federal

(Items a, b, c and e above must be submitted. If items c or d do not apply to your group, indicate "none")

I have read and understand the provisions of Los Angeles County Code, volume 3, Title 7, Chapter 7-24 and before authorizing any person to solicit, I will require the solicitor to read Sections 7-24-010 to 7-24-400 of said Ordinance.

Within 30 days after the completion of the solicitation, I will submit the Report of Results of Activity form to the Business License Commission, indicating all receipts and expenditures of this appeal/activity.

PLEASE PRINT NAME AND THEN SIGN. AN OFFICER OF THE ORGANIZATION MUST SIGN.

"I declare under penalty of perjury under the laws of the County of Los Angeles and the State of California that the foregoing is true and correct."

Walter Lewis TREASURER
(Signature and Title) WALTER LEWIS

3405 ATLAS STREET, SAN DIEGO, CA 92111
(Complete Address)

6192086442
Daytime Telephone Number

11/27/12
Today's Date

NON-COMPLIANCE WITH, OR VIOLATION OF, LOS ANGELES COUNTY CODE, VOLUME 3, TITLE 7, CHAPTER 7-24, IS A MISDEMEANOR PUNISHABLE BY A FINE OR IMPRISONMENT -- OR BOTH.

IMPORTANT REMINDER: A current list of officers and a current financial statement or audit must be sent at least once annually to keep your file updated. Other documents are not necessary unless they have new or additional information, or amendments.

Please give the name and telephone number of a person that we may contact for questions regarding the "NOTICE OF INTENTION"

WALTER LEWIS 619 208 6442

Marine Corps Veterans Association

**Los Angeles County – Unincorporated Areas
Notice of Intention to Solicit**

Corporate Officers

Name and title: George R. Marsh, President Term 10/31/2013
Home address: 1541 Planeta Way, El Dorado Hills, CA 95762
Home phone: 916-220-4280

Name and title: Daniel A. Robles, Vice President Term 10/31/2013
Home address: 5329 Calistoga Way, Sacramento, CA 95841
Home phone: 916-505-6485

Name and title: Dennis K. Stange, Secretary Term 10/31/2013
Home address: 5024 Robertson Avenue, Carmichael, CA 95608
Home phone: 916-487-8260

Name and title: Walter Lewis, Treasurer Term 10/31/2013
Home address: 3405 Atlas Street, San Diego, CA 92111
Home phone: 619-208-6442

Description of Business Activity

The Marine Corps Veterans Association (the "MCVA") is a 501 (c) (19), war veterans association that is a nonprofit. Our Federal EIN is 36-4601300, our EDD is 27819416, and our California nonprofit number is 2979541. The MCVA was created to provide recognition, honor, aid and assistance to all Marines and Corpsmen, and their families, as well as assisting, providing recognition and honoring other members of the Armed Forces of the United States, and their families, as a patriotic mission to benefit active duty members, as well as veterans, of the Armed Forces.

The method used by the MCVA to raise funds is personal contact. The Association proposes to set up a small booth on private property at retail establishments in the unincorporated areas of Los Angeles County after receiving the permission from the retail store's management. One MCVA employee will man the booth, and will politely ask those who pass by to make a contribution during daytime hours. No aggressive methods will be used. No articles will be sold; however, the MCVA will offer patriotic tokens to donors as our gift to them following their contribution. All solicitors are hourly employees of the MCVA; there are no employment contracts, and no commercial fundraisers are used.

The proceeds used outside of Los Angeles County will be used to fund the MCVA's programs and services in California and five other states as described in the first paragraph of the Description of Business Activity.

A0674330

ENDORSED - FILED
 In the office of the Secretary of State
 of the State of California

MAR 13 2008

**CERTIFICATE OF AMENDMENT OF
 ARTICLES OF INCORPORATION**

The undersigned certify that:

EIN # 36-4601300

1. They are the president and the secretary, respectively, of MARINE CORPS VETERANS ASSOCIATION, a California corporation.
2. Article IV (A) of the Articles of Incorporation of this corporation is amended to read as follows:
 This corporation is organized and operated exclusively for charitable purposes within The meaning of Section 501 (c) (19) , Internal Revenue Code.
2. Article II (B) of the Articles of Incorporation of this corporation is amended to read as follows:
 The specific purpose of this corporation is to aid voluntarily and to render assistance to all Marines and former Marines, their spouses, children , dependents; and widows and orphans of deceased Marines and Corpsmen . To assist disabled and needy war veterans, including assistance to the Marine Corps Veterans Association Injured Marine Fund. To support the sending of civilian rations to the troops in Iraq and Afghanistan, including assistance to Operation Interdependence.
 To provide entertainment, care and assistance to hospitalized Marines. To carry on programs to perpetuate the memory of deceased Marines, and to sponsor or participate in activities of a patriotic nature. To provide social and recreational activities for members of the Marine Corps Veterans Association. To conduct programs for literary or educational purposes.
 To promote the social welfare of the community. To support the Boy Scouts of America and other organizations as determined by the officers of the Marine Corps Veterans Association.
3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: 3-13-08

President
George Marsh
Secretary
Robles

OFFICE OF THE
 SECRETARY OF STATE

State of California
Secretary of State

CERTIFICATE OF STATUS

ENTITY NAME:

MARINE CORPS VETERANS ASSOCIATION

FILE NUMBER: C2979541
FORMATION DATE: 04/25/2007
TYPE: DOMESTIC NONPROFIT CORPORATION
JURISDICTION: CALIFORNIA
STATUS: ACTIVE (GOOD STANDING)

I, DEBRA BOWEN, Secretary of State of the State of California,
hereby certify:

The records of this office indicate the entity is authorized to
exercise all of its powers, rights and privileges in the State of
California.

No information is available from this office regarding the financial
condition, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate
and affix the Great Seal of the State of
California this day of August 01, 2012.

Debra Bowen

DEBRA BOWEN
Secretary of State

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 10 2007

MARINE CORPS VETERANS ASSOCIATION
C/O GEORGE MARSH
2971 FULTON AVENUE
SACRAMENTO, CA 95821-0000

Employer Identification Number:
36-4501300

DLM:

607324015

Contact Person:

GERALD HOLLAND

ID# 95031

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Form 990 Required:

Yes

Effective Date of Exemption:

April 25, 2007

Contribution Deductibility:


Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(19) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Information for Organizations Exempt Under Sections Other Than 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Sincerely,


Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Information for Organizations Exempt Under Sections Other Than 501(c)(3)



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

In reply refer to
755:6 :EU

April 3, 2008

MARINE CORPS VETERANS ASSOCIATION
GEORGE MARSH
2971 FULTON AVE
SACRAMENTO CA 95821-4909

Purpose : VETERANS
Code Section : 23701w
Form of Organization : Corporation
Accounting Period Ending: December 31
Organization Number : 2979541

EXEMPT DETERMINATION LETTER

We determined you are exempt from California franchise or income tax under the California Revenue and Taxation Code section shown above.

The tax-exempt status is effective as of 04/25/2007.

To retain exempt status, organizations are required to be organized and operating for nonprofit purposes within the provisions of the above section. An inactive organization is not entitled to exemption.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

April 3, 2008
MARINE CORPS VETERANS ASSOCIATION
ENTITY ID : 2979541
Page 2

For the organization's filing requirements, read enclosed Pub. 1068, Exempt Organizations - Requirements for Filing Returns and Paying Filing Fees. You may download the publication at www.ftb.ca.gov.

Note: This exemption is for state franchise or income tax purposes only. For information regarding sales tax exemption, contact the Board of Equalization at (800) 400-7115 or website www.boe.ca.gov.

A copy of this letter has been sent to the Registry of Charitable Trusts.

E ULCH
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE (916) 845-4173
FAX NUMBER (916) 843-0188

EO :

**Bylaws
of
MARINE CORPS VETERANS ASSOCIATION
A California Nonprofit Public Benefit Corporation**

As Restated July 26, 2012

**ARTICLE 1
OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located at 2245 Park Towne Circle, Sacramento County, California 95825-0415.

SECTION 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The board of directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these bylaws.

_____	Dated: _____
_____	Dated: _____
_____	Dated: _____

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 2
PURPOSES**

SECTION 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be: To aid voluntarily and to render assistance to all Marines and former Marines, their spouse, children, and dependents, and widows and orphans of deceased Marines and Corpsmen. To assist disabled and needy war veterans, including assistance to the Marine Corps Veterans Association Injured Marine Fund. To support the sending of civilian rations to the troops in Iraq and Afghanistan, including assistance to Operation Interdependence. To provide

entertainment, care and assistance to hospitalized Marines. To carry on programs to perpetuate the memory of deceased Marines, and to sponsor or participate in activities of a patriotic nature. To provide social and recreational activities for members of the Marine Corps Veterans Association (the "MCVA"). To conduct programs for literary or educational purposes. To promote the social welfare of the community. To support the Boy Scouts of America and other organizations as determined by the officers of the MCVA.

ARTICLE 3 DIRECTORS

SECTION 1. NUMBER

The corporation shall have five (5) directors and collectively they shall be known as the board of directors. The number may be changed by amendment of this bylaw, or by repeal of this bylaw and adoption of a new bylaw, as provided in these bylaws.

SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and bylaws relating to action required or permitted to be taken or approved by the members of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

SECTION 3. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their addresses with the secretary of the corporation and notices of meetings mailed, emailed or telegraphed to them at such addresses shall be valid notices thereof.

SECTION 4. TERMS OF OFFICE

Each director shall hold office until the next annual meeting for election of the board of directors as specified in these bylaws, and until his or her successor is elected and qualifies.

SECTION 5. COMPENSATION

Directors shall serve without compensation, except as provided under the provisions of Section 6 of this Article. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these bylaws, not more than sixty percent (60%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation located at 2245 Park Towne Circle, Sacramento, CA 95825, or at the meeting facility located at 2500 Watt Avenue, Sacramento, CA 95821, unless otherwise provided by the board or at such place within or without the State of California which has been designated from time to time by resolution of the board of directors. In the absence of such designation, any meeting not held at the principal office of the corporation or at 2500 Watt Avenue shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the secretary of the corporation or after all board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other

communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a) Each director participating in the meeting can communicate with all of the other directors concurrently;
- b) Each director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- c) The corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.

SECTION 8. REGULAR AND ANNUAL MEETINGS

Regular meetings of directors shall be held on the fourth Tuesday of January, April, July and October at 7:00 PM, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day.

SECTION 9. SPECIAL MEETINGS

Special meetings of the board of directors may be called by the chairperson of the board, the president, the secretary, or by any two directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 10. NOTICE OF MEETINGS

Regular meetings of the board may be held without notice. Special meetings of the board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or by email or telegraph. If sent by mail or telegraph, the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the telegraph company. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation. Notice of the time and place of the holding of an adjourned meeting need not be given to absent directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

SECTION 11. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day, and hour of the meeting. The purpose of any board meeting need not be specified in the notice.

SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the board, however called and noticed or wherever held, including meetings held by telephone that are not conducted by conference call, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 13. QUORUM FOR MEETINGS

A quorum shall consist of three (3) directors.

Except as otherwise provided in these bylaws or in the articles of incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the articles of incorporation or bylaws of this corporation.

SECTION 14. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233), and indemnification of

directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 15. CONDUCT OF MEETINGS

Meetings of the board of directors shall be presided over by the chairperson of the board, or, if no such person has been so designated or, in his or her absence, the president of the corporation or, in his or her absence, by the secretary of the corporation or, in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of law.

SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the board of directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the board of directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 17. VACANCIES

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

The board of directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

If the corporation has fewer than fifty (50) members, directors may be removed without cause by a majority of all members, or, if the corporation has fifty (50) or more members, by vote of a majority of the votes represented at a membership meeting at which a quorum is present.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

Vacancies on the board may be filled by the approval of the members.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the board of directors or until his or her death, resignation, or removal from office.

SECTION 18. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 19. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee, or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 20. INSURANCE FOR CORPORATE AGENTS

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 4 OFFICERS

SECTION 1. NUMBER OF OFFICERS

The officers of the corporation shall be a President/Commanding Officer (the "president"), a Secretary/Executive Officer (the "secretary"), a chief financial officer who shall be designated the Treasurer (the "treasurer"), and a Recruiting Officer (the "recruiting officer"). The corporation may also have, as determined by the board of directors, a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, or other officers. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president or chairperson of the board.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any person may serve as an officer of this corporation. Officers shall be elected by the members, at the annual meeting, and each officer shall hold office for a term of one (1) year or until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

The president and secretary shall, by virtue of their election to said positions, also be deemed elected to and members of the board of directors.

SECTION 3. SUBORDINATE OFFICERS

The board of directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the board of directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by a vote of the members, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the vote of the members. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the members shall fill the vacancy.

Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, he or she shall preside at all meetings of the board of directors. If applicable, the president shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

SECTION 7. DUTIES OF SECRETARY

The secretary shall:

Certify and keep at the principal office of the corporation, or at such other place as the board may determine, the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation, or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records and of the seal of the corporation, if a seal is acquired, and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these bylaws.

Keep at the principal office of the corporation, or at such other place as the board may determine, a membership book containing the name and address of each and any member, and, in the case where any membership has been terminated, the secretary shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors and members of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 8. DUTIES OF TREASURER

Subject to the provisions of these bylaws relating to the "Execution of Instruments,

Oversee all funds and securities of the corporation, and oversee the deposit of all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Oversee monies due and payable to the corporation from any source whatsoever.

Oversee the disbursement of funds of the corporation as may be directed by the board of directors, taking proper and reasonable vouchers for such disbursements. The Treasurer is hereby empowered to pay all rightful taxes and regulatory requirements from the accounts of the corporation, including, but not necessarily limited to, all income, franchise and payroll taxes and withholdings due to be paid to the federal, state and local governments, as such shall from time to time become due and payable.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, upon request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 9. DUTIES OF RECRUITING OFFICER

The recruiting officer shall:

Perform the primary responsibility for membership recruitment and retention. The recruiting officer shall suggest and devise strategies that locate active duty, retired and former Marines and Navy Corpsmen and encourage them to join and partake actively in the programs of the corporation.

Organize programs, including social activities, which are of interest to the members and will motivate the members to continue their membership and renew payment of annual dues. Before implementing recruitment programs, the recruiting officer will present proposed programs to the membership at regularly scheduled meetings for the members' approval.

In general, perform all duties incident to the office of the recruiting officer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 10. COMPENSATION

The salaries of the officers, if any, shall be fixed from time to time by resolution of the board of directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation, provided, however, that such compensation paid a director for serving as an officer of this corporation shall only be allowed if permitted under the provisions of Article 3, Section 6, of these bylaws. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered for the corporation which relate to the performance of the charitable or public purposes of this corporation. All officer salaries shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

ARTICLE 5 COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE OF THE BOARD

The board of directors may, by a majority vote of directors, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an executive committee of the board and delegate to such committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee that has the authority of the board.
- (c) The fixing of compensation of the directors for serving on the board or on any committee.
- (d) The amendment or repeal of bylaws or the adoption of new bylaws.

(e) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repealable.

(f) The appointment of committees of the board or the members thereof.

(g) The expenditure of corporate funds to support a nominee for director in the event there are more people nominated for director than can be elected.

(h) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the board. The committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as "advisory" committees.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the board of directors or by the committee. The time for special meetings of committees may also be fixed by the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

ARTICLE 6 EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the president of the corporation.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

SECTION 4. GIFTS

The board of directors or president or employees designated by the board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE 7 CORPORATE RECORDS, REPORTS, AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California or at a location designated by the board of directors:

- (a) Minutes of all meetings of directors, committees of the board and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;

(c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;

(d) A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members of the corporation at all reasonable times during office hours upon five (5) business days' prior written demand on the corporation.

SECTION 2. CORPORATE SEAL

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

SECTION 4. MEMBERS' INSPECTION RIGHTS

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

(a) To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.

(b) To obtain from the secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect at any reasonable time upon five (5) business days' prior written demand on the corporation the books, records, or minutes of proceedings of the members or of the board or committees of the board for a purpose reasonably related to such person's interests as a member.

SECTION 5. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

SECTION 6. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and eighty (180) days after the close of the corporation's fiscal year to all directors of the corporation and to any member who requests it in writing, which report shall consist of the corporation's annual filing with the Internal Revenue Service.

SECTION 7. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS

This corporation shall mail or deliver to all directors and any and all members a statement within one hundred and eighty (180) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

- (a) Any director or officer of the corporation, or its parent or its subsidiary (a mere common directorship shall not be considered a material financial interest); or
- (b) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction, and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

ARTICLE 8 FISCAL YEAR

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the first of January and end on the thirty-first of December in each year.

ARTICLE 9

CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. DEFINITIONS

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee may, if appropriate, appoint a disinterested person or committee to investigate reasonable alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article,

the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- (a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- (b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
 - 4. has no material financial interest affected by the compensation arrangement; and
 - 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- (c) The board or compensation committee may obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 - 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
 - 2. the availability of similar services in the geographic area of this organization
 - 3. current compensation surveys compiled by independent firms
 - 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on

compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

1. the terms of the compensation arrangement and the date it was approved
2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
3. the comparability data obtained and relied upon and how the data was obtained.
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 7. PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

ARTICLE 10 AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows:

- (a) Subject to the power of members to change or repeal these bylaws under Section 5150 of the Corporations Code, by approval of the board of directors unless the bylaw amendment would materially and adversely affect the rights of members as to voting or transfer, provided, however, if this corporation has admitted any members, then a bylaw specifying or changing the fixed number of directors of the corporation, the maximum or minimum number of directors, or changing from a fixed to variable board or vice versa, may not be adopted, amended, or repealed except as provided in subparagraph (b) of this Section; or
- (b) By approval of the members of this corporation.

ARTICLE 11 AMENDMENT OF ARTICLES

SECTION 1. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS

Before any members have been admitted to the corporation, any amendment of the articles of incorporation may be adopted by approval of the board of directors.

SECTION 2. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS

After members have been admitted to the corporation, amendment of the articles of incorporation may be adopted by the approval of the board of directors and by the approval of the members of this corporation.

SECTION 3. CERTAIN AMENDMENTS

Notwithstanding the above sections of this Article, this corporation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Nonprofit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 12 PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these bylaws and is fixed by resolution of the board of directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation,

after all debts have been satisfied, shall be distributed as required by the articles of incorporation of this corporation and not otherwise.

ARTICLE 13 MEMBERS

SECTION 1. DETERMINATION AND RIGHTS OF MEMBERS

The corporation shall have two classes of members: namely, regular members, who are active duty or former Marines, and all others, who shall be known as associate members. No member shall hold more than one membership in the corporation. Except as expressly provided in or authorized by the articles of incorporation or bylaws of this corporation, all the corporation's members shall have the same rights, privileges, restrictions, and conditions; provided, however, and notwithstanding any other provision of these bylaws, only regular members shall have the right to vote in platoon elections or constitute part of a quorum.

SECTION 2. QUALIFICATIONS OF MEMBERS

The qualifications for membership in this corporation shall be on terms as established by the board of directors.

SECTION 3. ADMISSION OF MEMBERS

Applicants shall be admitted to membership on terms as established by the board of directors.

SECTION 4. FEES, DUES, AND ASSESSMENTS

(a) The annual dues payable to the corporation by members shall be as established by the board of directors.

(b) Memberships shall be nonassessable.

SECTION 5. NUMBER OF MEMBERS

There is no limit on the number of members the corporation may admit.

SECTION 6. MEMBERSHIP BOOK

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the corporation's principal office and shall be available for inspection by any director or member of the corporation during regular business hours.

The record of names and addresses of the members of this corporation shall constitute the membership list of this corporation and shall not be used, in whole or part, by any person for any purpose not reasonably related to a member's interest as a member.

SECTION 7. NONLIABILITY OF MEMBERS

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

SECTION 8. NONTRANSFERABILITY OF MEMBERSHIPS

No member may transfer a membership or any right arising therefrom. All rights of membership cease upon the member's death.

SECTION 9. TERMINATION OF MEMBERSHIP

(a) Grounds for Termination. The membership of a member shall terminate upon the occurrence of any of the following events:

- (1) Upon his or her notice of such termination delivered to the president or secretary of the corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
- (2) Upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the corporation.
- (3) If this corporation has provided for the payment of dues by members, upon a failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member by the secretary of the corporation. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.

(b) Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph (a)(2) of this section, the following procedure shall be implemented:

- (1) A notice shall be sent by first-class or registered mail to the last address of the member as shown on the corporation's records, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.
- (2) The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five (5) days before the effective date of the proposed expulsion. The hearing will be held by the board of directors in accordance with the quorum and voting rules set forth in these bylaws

applicable to the meetings of the board. The notice to the member of his or her proposed expulsion shall state the date, time, and place of the hearing on his or her proposed expulsion.

(3) Following the hearing, the board of directors shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the board shall be final.

(4) If this corporation has provided for the payment of dues by members, any person expelled from the corporation shall receive a refund of dues already paid. The refund shall be prorated to return only the unaccrued balance remaining for the period of the dues payment.

SECTION 10. RIGHTS ON TERMINATION OF MEMBERSHIP

All rights of a member in the corporation shall cease on termination of membership as herein provided.

SECTION 11. AMENDMENTS RESULTING IN THE TERMINATION OF MEMBERSHIPS

Notwithstanding any other provision of these bylaws, if any amendment of the articles of incorporation or of the bylaws of this corporation would result in the termination of all memberships or any class of memberships, then such amendment or amendments shall be effected only in accordance with the provisions of Section 5342 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 14 MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETINGS

Meetings of members shall be held at the principal office of the corporation, or at the facility located at 2500 Watt Avenue, Sacramento, CA 95821, or at such other place or places within or without the State of California as may be designated from time to time by resolution of the board of directors.

SECTION 2. ANNUAL AND OTHER REGULAR MEETINGS

The members shall meet annually on the fourth Tuesday of October in each year, at 8:15 PM, for the purpose of electing directors and officers, and transacting other business as may come before the meeting. Cumulative voting for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each voting member shall cast one vote, with voting being by ballot only. The annual meeting of members for the purpose of electing

directors and officers shall be deemed a regular meeting and any reference in these bylaws to regular meetings of members refers to this annual meeting.

Other regular meetings of the members shall be held on the fourth Tuesday of each month, at 7:00 PM; provided, however, the regular meetings in January, April, and July shall commence at 8:15PM.

If the day fixed for the annual meeting or other regular meetings falls on a legal holiday, such meeting shall be held at the same hour and place on the next business day.

SECTION 3. SPECIAL MEETINGS OF MEMBERS

(a) Persons Who May Call Special Meetings of Members. Special meetings of the members shall be called by the board of directors, the chairperson of the board, or the president of the corporation. In addition, special meetings of the members for any lawful purpose may be called by fifteen percent (15%) or more of the members.

SECTION 4. NOTICE OF MEETINGS

(a) Time of Notice. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be given by the secretary of the corporation not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member who, on the record date for the notice of the meeting, is entitled to vote thereat, provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given twenty (20) days before the meeting.

(b) Manner of Giving Notice. Notice of a members' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the member at the address of such member appearing on the books of the corporation or given by the member to the corporation for the purpose of notice; or if no address appears or is given, at the place where the principal office of the corporation is located or by publication of notice of the meeting at least once in a newspaper of general circulation in the county in which the principal office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(c) Contents of Notice. Notice of a membership meeting shall state the place, date, and time of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of a regular meeting, those matters which the board, at the time notice is given, intends to present for action by the members. The notice of any meeting of members at which directors are to be elected shall include the names of all those who are nominees at the time notice is given to members.

(d) Notice of Meetings Called by Members. If a special meeting is called by members as authorized by these bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be

delivered personally or sent by registered mail or by telegraph to the chairperson of the board, president, vice president, or secretary of the corporation. The officer receiving the request shall promptly cause notice to be given to the members entitled to vote that a meeting will be held, stating the date of the meeting. The date for such meeting shall be fixed by the board and shall not be less than thirty-five (35) nor more than ninety (90) days after the receipt of the request for the meeting by the officer. If the notice is not given within twenty (20) days after the receipt of the request, persons calling the meeting may give the notice themselves.

(e) Waiver of Notice of Meetings. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waiver of notices or consents need not specify either the business to be transacted or the purpose of any regular or special meeting of members, except that if action is taken or proposed to be taken for approval of any of the matters specified in subparagraph (f) of this section, the waiver of notice or consent shall state the general nature of the proposal.

(f) Special Notice Rules for Approving Certain Proposals. If action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless unanimously approved by those entitled to vote or unless the general nature of the proposal is stated in the notice of meeting or in any written waiver of notice:

1. Removal of directors without cause;
2. Filling of vacancies on the board by members;
3. Amending the articles of incorporation; and
4. An election to voluntarily wind up and dissolve the corporation.

SECTION 5. QUORUM FOR MEETINGS

A quorum shall consist of three (3) of the voting members of the corporation.

The members present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of members from the meeting provided that any action taken after the loss of a quorum must be approved by at least a majority of the members required to constitute a quorum.

In the absence of a quorum, any meeting of the members may be adjourned from time to time by the vote of a majority of the votes represented in person or by proxy at the meeting, but no other business shall be transacted at such meeting.

When a meeting is adjourned for lack of a sufficient number of members at the meeting or otherwise, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting other than by announcement at the meeting at which the adjournment is taken of the time and place of the adjourned meeting. However, if after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. A meeting shall not be adjourned for more than forty-five (45) days.

Notwithstanding any other provision of this article, if this corporation authorizes members to conduct a meeting with a quorum of less than one-third (1/3) of the voting power, then, if less than one-third (1/3) of the voting power actually attends a regular meeting, in person or by proxy, no action may be taken on a matter unless the general nature of the matter was stated in the notice of the regular meeting.

SECTION 6. MAJORITY ACTION AS MEMBERSHIP ACTION

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of Incorporation of this corporation, or these bylaws require a greater number.

SECTION 7. VOTING RIGHTS

Each member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote. Election of directors, however, shall be by ballot.

SECTION 8. PROXY VOTING

Members entitled to vote shall be permitted to vote or act by proxy.

Members entitled to vote shall have the right to vote either in person or by a written proxy executed by such person or by his or her duly authorized agent and filed with the secretary of the corporation, provided, however, that no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. In any case, however, the maximum term of any proxy shall be three (3) years from the date of its execution. No proxy shall be irrevocable and may be revoked following the procedures given in Section 5613 of the California Nonprofit Public Benefit Corporation Law.

All proxies shall state the general nature of the matter to be voted on and, in the case of a proxy given to vote for the election of directors, shall list those persons who were nominees at the time the notice of the vote for election of directors was given to the members. In any election of directors, any proxy which is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld shall not be voted either for or against the election of a director.

Proxies shall afford an opportunity for the member to specify a choice between approval and disapproval for each matter or group of related matters intended, at the time the proxy is distributed, to be acted upon at the meeting for which the proxy is solicited. The proxy shall also provide that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

SECTION 9. CONDUCT OF MEETINGS

Meetings of members shall be presided over by the chairperson of the board or by the president of the corporation or, in the absence of these persons, by a chairperson chosen by a majority of the voting members, present in person or by proxy. The secretary of the corporation shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with any provision of law.

SECTION 10. ACTION BY WRITTEN BALLOT WITHOUT A MEETING

Any action which may be taken at any regular or special meeting of members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of each proposal, provide that where the person solicited specifies a choice with respect to any such proposal the vote shall be cast in accordance therewith, and provide a reasonable time within which to return the ballot to the corporation. Ballots shall be mailed or delivered in the manner required for giving notice of meetings specified in Section 4(b) of this article.

All written ballots shall also indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The ballots must specify the time by which they must be received by the corporation in order to be counted.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors may be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered. If any such ballots are marked "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, they shall not be counted as votes either for or against the election of a director.

A written ballot may not be revoked after its receipt by the corporation or its deposit in the mail, whichever occurs first.

SECTION 11. REASONABLE NOMINATION AND ELECTION PROCEDURES

This corporation shall make available to members reasonable nomination and election procedures with respect to the election of directors and officers by members. Such procedures shall be reasonable given the nature, size, and operations of the corporation, and shall include:

- (a) A reasonable means of nominating persons for election as directors or officers.
- (b) A reasonable opportunity for a nominee to communicate to the members the nominee's qualifications and the reasons for the nominee's candidacy.
- (c) A reasonable opportunity for all nominees to solicit votes.
- (d) A reasonable opportunity for all members to choose among the nominees.

Upon the written request by any nominee for election to the board or election as an officer and the payment with such request of the reasonable costs of mailing (including postage), the corporation shall, within ten (10) business days after such request (provided payment has been made) mail to all members or such portion of them that the nominee may reasonably specify, any material which the nominee shall furnish and which is reasonably related to the election, unless the corporation within five (5) business days after the request allows the nominee, at the corporation's option, the right to do either of the following:

1. inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the corporation, which demand shall state the purpose for which the inspection rights are requested; or
2. obtain from the secretary, upon written demand and payment of a reasonable charge, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of any date specified by the nominee subsequent to the date of demand.

The demand shall state the purpose for which the list is requested and the membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

If the corporation distributes any written election material soliciting votes for any nominee for director at the corporation's expense, it shall make available, at the corporation's expense, to each other nominee, in or with the same material, the same amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

SECTION 2. RELATIONSHIP BETWEEN THE CORPORATION AND PLATOONS

Specific rules, regulations and guidelines are set forth in these bylaws and the administrative procedures of the corporation. Individual platoons may adopt bylaws and procedures for their platoon that are not significantly inconsistent with the corporation's bylaws and administrative procedures. The platoons must obtain the approval of the corporation's board of directors prior to the implementation of bylaws and administrative procedures adopted by the individual platoons. The corporation recognizes that platoons may have unique needs and desires, and, therefore, approval of platoon bylaws and administrative procedures shall not be unreasonably withheld by the corporation's board of directors.

SECTION 3. CHARACTERISTICS OF CLASS A PLATOONS

The corporation may have two different forms of platoons: namely, "Class A platoon(s)" and "Class B platoon(s)". The characteristics and relationship to the corporation of the two different forms of platoons are set forth below.

The corporation's Class A platoons are described as follows:

(a) Class A platoons are extensions of the corporation; such platoons are not separately incorporated, nor are such platoons unincorporated associations. As a part of the corporation, Class A platoons do not have a separate federal employer identification number from the corporation, and said platoons do not file tax returns or meet licensing requirements separate from the corporation. Class A platoons are under the general supervision and control of the corporation because, in fact, Class A platoons are an integral part of the corporation. It is the intent of the Class A platoon relationship that such platoons can be created with an absolute minimum amount of expense imposed on the members of such platoons and an absolute minimum requirement of governmental processing, since such expense and processing will be paid for and accomplished by the corporation on behalf of the Class A platoon.

(b) The corporation recognizes the unique needs, desires and interests of Class A platoons, and, therefore, the corporation shall allow the Class A platoons a great deal of self-determination in the conduct of such platoon's affairs at all times.

(c) Members of Class A platoons shall not have the right to vote in corporation elections, although such members may attend meetings of the corporation as observers. Members of Class A platoons shall not be included as a part of a quorum at a corporation meeting.

(d) The ultimate control and ownership of all assets and funds acquired by any Class A platoon shall at all times vest in the corporation under the control of the corporation's board of directors; provided, however, individual Class A platoons may establish platoon bank accounts, and said platoons may determine which officers of the platoon have authority to write checks, make deposits and withdraw funds from the platoon's accounts.

(e) At all times, the corporation's president and the corporation's treasurer shall have the right and ability to view any and all records of the Class A platoons' bank accounts, including, but not limited to, bank statements and online access to all information with respect to the accounts of any such platoon. The officers of a Class A platoon shall respond promptly to any inquiry from the corporation's president or treasurer with respect to the assets, funds and bank accounts of such platoon.

(f) The power to control a Class A platoon's bank accounts rests with the platoon member(s) assigned this responsibility under the provisions of said platoon's bylaws; provided, however, under extreme and unusual circumstances, as may be determined by the corporation's board of directors, and with the approval of a majority of the corporation's board of directors, the corporation's president or treasurer may be empowered to withdraw funds from a Class A platoon's bank account or close such an account. As a consequence, all Class A platoon bank accounts must provide for such access by the corporation's president and treasurer.

(g) It is not the intent of these bylaws to allow the corporation to use a Class A platoon's funds for the needs of the corporation under normal circumstances. Funds and assets in such platoon bank accounts are under the control and use of that platoon pursuant to the provisions of that platoon's bylaws.

(h) In the event that a Class A platoon enters into a transaction that results in the generation of unrelated business income tax, or any other tax, penalty or fee, then said platoon shall immediately pay to the corporation, or the appropriate government authority, the amount of such tax, penalty or fee.

(i) Class A platoons must receive the approval of the corporation prior to entering any contractual obligation with any party wherein the obligation of such platoon is in excess of \$500. A copy of the proposed agreement must be submitted to the corporation at the time approval is sought. In the event that approval is not granted, then the officers of the platoon shall be deemed to not have the authority to bind the corporation to any obligation whatsoever. Prior to hiring an employee, the Class A platoon must receive the written approval of the corporation.

(j) Minutes of all platoon meetings of members and meetings of the governing body, or any committee of the governing body, shall be submitted to the corporation, and a copy shall be received by the president and treasurer of the corporation, within 15 calendar days after the meeting. Delivery of said minutes to the president and the treasurer shall be by email, fax or regular mail.

(k) The corporation may require that members of Class A platoons pay modest and reasonable dues to the corporation in an amount that the corporation's board of directors may set from time to time.

SECTION 4. CHARACTERISTICS OF CLASS B PLATOONS

The corporation's Class B platoons are described as follows:

(a) The corporation's Class B platoons are entities that are separate from the corporation; such platoons are separately incorporated or are unincorporated associations. Class B platoons have a federal employer identification number that is different from the employer identification number of the corporation. Class B platoons file federal, state and local tax returns and meet all licensing requirements separate from the corporation, including the acquisition and maintenance of tax-exempt status. Said platoons are solely responsible for complying with all federal, state and local tax and regulatory requirements affecting the platoon. The corporation does not in any way share in the responsibility of the Class B platoon to comply with all applicable federal, state and local tax and regulatory requirements.

(b) Class B platoons are not under the general supervision and control of the corporation. The activities and affairs of the Class B platoon shall be conducted and all platoon powers shall be exercised by and under the direction of the platoon's governing body.

(c) Members of Class B platoons shall not have the right to vote in corporation elections, although such members may attend meetings of the corporation as observers. Members of Class B platoons shall not be included as a part of a quorum at a corporation meeting.

(d) The control and ownership of all assets and funds acquired by any Class B platoon shall at all times vest in that platoon's governing body, and the corporation shall exercise no control over such assets and funds.

(e) The actions and obligations of the Class B platoon shall not be deemed to be the actions and obligations of the corporation, and under no circumstances will such platoon represent to any third party that the corporation is bound by the actions or obligations of the Class B platoon. In the event that a Class B platoon's actions subject the corporation to liability or financial loss, then the Class B platoon shall indemnify the corporation for any loss incurred, including attorney fees.

(f) The Class B platoon may incorporate the name "Marine Corps Veterans Association" into the name of such platoon; provided, however, the specific name utilized must be approved by the corporation's board of directors prior to its usage, and the license to use such name is subject to cancellation at any time in the sole discretion of the corporation. Provided, further, the corporation may require the payment of an annual fee by a Class B platoon for utilization of the name "Marine Corps Veterans Association", in an amount to be determined by the corporation's board of directors.

(g) Minutes of all platoon meetings of members and meetings of the governing body, or any committee of the governing body, shall be submitted to the corporation, and a copy shall be received by the president and treasurer of the corporation, within 15

calendar days after the meeting. Delivery of said minutes to the president and the treasurer shall be by email, fax or regular mail.

(h) The relationship of Class B platoon can be terminated at any time by the corporation, and the exercise of such cancellation is subject to the sole discretion of the corporation's board of directors.

(i) The corporation may require that members of Class B platoons pay modest and reasonable dues to the corporation in an amount that the corporation's board of directors may set from time to time.

SECTION 5. FORMATION OF CLASS A PLATOONS

The process of forming a Class A platoon can be initiated verbally or in written form among the corporation's officers and representative(s) of the proposed platoon. The representative(s) of the proposed platoon must arrange a meeting of the individuals who will be the initial members of the platoon at which a vote shall be held approving the corporation's articles of incorporation, by-laws and application of authority, if the platoon is located in a state other than California.

The corporation's articles of incorporation, by-laws and application of authority, if the platoon is located in a state other than California, will be made available to the representatives and the initial members for review at least fourteen calendar days before the date of the proposed vote for approval of a resolution to become a platoon of the corporation. Following a vote of approval by the initial members, the representatives shall deliver to the president of the corporation in writing a statement that: (1) a vote was taken and approved the above-stated documents of the corporation; (2) the initial members elected certain persons as the platoon's initial officers; and (3) the members adopted an initial set of bylaws for the platoon, which are submitted to the corporation for approval.

The corporation's board of directors shall then review the request to establish a platoon and the proposed bylaws. If the circumstances of the request and the bylaws are acceptable to the corporation's board of directors, then a certificate shall be issued that sets forth its date of establishment and its good standing as a Class A platoon of the corporation.

SECTION 6. FORMATION OF CLASS B PLATOONS

The process of forming a Class B platoon can be initiated verbally or in written form among the corporation's officers and representative(s) of the proposed platoon. The representative(s) of the proposed platoon must arrange a meeting of the individuals who will be the initial members of the platoon at which a vote shall be held approving the corporation's articles of incorporation, by-laws and application of authority, if the platoon is located in a state other than California.

The corporation's articles of incorporation, by-laws and application of authority, if the platoon is located in a state other than California, shall be made available to the representatives and the initial members for review at least fourteen calendar days before the date of the proposed vote for approval of a resolution to become a platoon of the corporation. Following a vote of approval by the initial members, the representatives shall deliver to the president of the corporation in writing a statement that: (1) a vote was taken and approved the above-stated documents of the corporation; (2) the initial members elected certain persons as the platoon's initial officers; and (3) the members adopted an initial set of bylaws for the platoon, which are submitted to the corporation for approval. In addition to the bylaws, the proposed Class B platoon shall also submit to the corporation for review and approval a copy of the organization's articles of incorporation, articles of association or similar documents under which the organization was formed or is to be formed.

The corporation's board of directors shall then review the request to establish a platoon and the organization's bylaws and founding documents. If the circumstances of the request, bylaws and founding documents are acceptable to the corporation's board of directors, then a certificate shall be issued that sets forth its date of establishment and its good standing as a Class B platoon of the corporation.